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RV BUSINESS DEC/11

Ready With sis

rp., Detroit, nfident that it lass C motorhome chassis in the 1988 model year and has already made the necessary investments in plant and equipment to do so, according to Chrysler sources.

Its new Class C chassis, with 11,000- to 12,000-pound gross vehicle weight ratings (gvwr), will have slightly shorter wheelbases than those offered by Ford Motor Co., Dearborn, Mich., which currently supplies about two-thirds of the Class C market.

According to sources, the Chrysler chassis will have 127-, 145- and 164-inch wheelbase lengths compared to the 138-, 158- and 176-inch wheelbase lengths offered by Ford. General Motors Corp. (GM), Detroit, offers 125- and 146-inch wheelbase-lengths Class C chassis. However, motorhome makers will be able to add frame extensions to the Chrysler chassis, as they already do with Ford and GM chassis, to produce units up to 26½ feet in length.

Chrysler chassis will also have different cab-to-axle lengths than Ford units but are expected to be fully competitive in all respects except for the engines, said company sources. GM and Ford offer larger 454-cid and 460-cid V-8 engines, respectively. The Chrysler units will have a standard 360-cid V-8, which will be fuel-injected for 1989 for more power and efficiency. The Chrysler chassis will also feature standard automatic transmission and front disc/rear drum brakes.

While Chrysler is set to introduce its Class C, company insiders said that there are no plans to enter the Class A chassis market. With Deere & Co.'s expanded Class A offerings and with GM's plans to introduce a 16,000-pound and a 17,000- to 18,000-pound gvwr Class A chassis, Chrysler believes the Class A motorhome market will be overly crowded, sources said. Δ

LIGHTING: A two-part section on aftermarket opportunities in RV interior lighting and the benefits of showroom and lot lighting. See page 22.

New Coaches Highlight '87 Dodger Show

The nation's RV manufacturers introduced a larger-than-usual array of new motorhomes at RVIA's 35th Annual RV Show at Dodger Stadium in Los Angeles, Nov. 3-15.

The 1988 motorized lineup at the 10-acre Dodger Show was noteworthy not only for its diversity—extending from a new low-profile Class A to bus-style coaches—but also for the styling and design advancements exhibited by a number of production-line companies.

In particular, Sunrader Inc., Elkhart, Ind.; Coachmen Industries Inc., Elkhart, Ind.; Champion Motor Coach Inc., Dryden, Mich.; and Fleetwood Enterprises Inc., Riverside, Calif., exhibited sophisticated new units whose sleek, seamless automotive exteriors and tastefully conservative interiors may set the tone for the 1990s, according to some observers.

The talk of the show was the new downsized, 23-foot-long, 135-inch-wheelbase Amera Cruiser from Gardner-Pacific Corp., Vallejo, Calif., and its manufacturing licensee Sunrader Inc., Elkhart, Ind. The low-profile Amera Cruiser utilizes a chassis built by Vironex Inc., Canyon Country, Calif., from fully warranteed Chrysler and Dana components, making it the first motorhome equipped with a Chrysler-warranteed chassis in more than seven years.

The Amera Cruiser is a hybrid unit with a 10,500-pound gross vehicle weight rating (gvwr). It is equipped with a Chrysler 360-cid V-8 engine mated to a three-speed automatic transmission. It has 16-inch tires and an interior floor only 20 inches off the ground—so low that an entry step is not required. It measures 7 feet 11 inches in exterior height and offers 6 feet 3 inches of interior headroom. The unit is rated to log an average of about 14 miles per gallon.

The Amera Cruiser's exterior features a wide, vinyl band beneath large windows, wraparound bumpers and the same

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DEC. 11, 1987 TWO DOLLARS

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COVER PHOTO: HOWARD GOLDSTEIN

BLUE CHIP CONSENSUS

'88 Economic-Growth Forecast Declines Sharply in November

The growth forecast for next year took the biggest "month-from-prior-month" dive in November in our 11-year history—sliding nearly a full percentage point from 2.8% to 1.9%. The popular fourth-quarter-over-fourth-quarter comparison also shows a 1.9% growth for 1988.

The sudden and drastic drop in stock prices, with its resulting high potential for undermining consumer spending, was volunteered as the key factor behind the sudden downward revision in the 1988 economic outlook. Forty-four members of the panel reduced their forecasts from last month—a record number!

The Blue Chip Consensus of 49 members expects real gross national product (GNP) for 1987 to repeat October's forecast of 2.6%. This nearly parallels the growth-rate forecast of 2.7% in October 1986. (We use October of the prior year as the month to measure accuracy.)

CPI Forecast

The Consumer Price Index (CPI) forecast for all urban consumers remained at 3.8% for 1987—level with that of a month ago but higher than the 3.2% advance projected in October 1986.

However, the rate of this popular measure of inflation was reduced to a 4.2% advance for 1988—significantly lower than the 4.6% gain that was anticipated only a month ago.

Interest Rates to Weaken

The fear that October's drop in stock prices will undermine future consumer spending resulted in a sharp, downward revision in the Blue Chip Consensus' short-term interest-rate forecast in November.

Three-month Treasury Bills, which were expected to average 6.6% for 1988, are now projected at 6%. New-home mortgage yields are also expected to move moderately lower.

Recession Pegged for '89

More than half of the Blue Chip group (52%) who were willing to "stick out their necks" on this tough call still think the start of the next recession will be in early 1989. But approximately one in five sees a recession starting in the 1988 election year, and more than one in eight of those polled think it is under way right now! This is in sharp contrast to the poll in September but similar to the expectations of a year ago.

Summary

Expect a cooler economic climate next year and a moderate heating of inflation. Watch for the possible start of a recession. But don't buy pronouncements of a looming depression! Δ—*Robert J. Eggert Sr.*

CONFERENCE BOARD

Stock Plunge Triggers Modest Dip in Consumer Confidence

The October stock-market plunge triggered only a modest dip in U.S. consumer confidence, according to a national survey of sample households.

During a survey conducted for The Conference Board between Oct. 22 and Oct. 25, in the wake of the Wall Street stock crash, the Board's Consumer Confidence Index (1986 = 100) fell moderately to 110.4, down from 116.9 during the first weeks of October.

The survey also found that 73% of households questioned did not believe the stock market slide would lead to a recession. Even among the 27% that did foresee a recession, most believed it would be a mild one.

"The Dow Jones quake has, thus far, generated only mild aftershocks among consumers," declared Fabian Linden, executive director of the Board's Consumer Research Center. "While consumers are a bit more cautious than they were earlier this month, confidence is continuing at high levels. Following the oil crisis in 1973, consumer confidence fell by more than one-third... For now, the outlook for a reasonably Merry Christmas continues to be good."

Nearly 73% of those surveyed said the falling stock market would have no effect on their plans to buy major goods; 27% said they were now "less likely" to make major purchases.

More than 59% of those surveyed did say that they were "somewhat concerned" when asked, "How concerned are you about the recent plunge in stock prices?" But 26% said that they were "not at all" concerned. Only about 15% said they were "extremely concerned."

Overall optimism about future economic conditions dipped marginally during the survey. Consumer expectations for the next six months, which have accurately foreshadowed major economic events in the past, slid by about eight points following the market drop—a moderate decline. Δ

SURVEY OF CONSUMER SENTIMENT

Special Survey Conducted Oct. 22-25, 1987

	Sept.	Oct.* Before	Oct.* After
Consumer Confidence Index	115.7	116.9	110.4
Present Situation	120.5	126.1	122.1
Expectations	112.5	110.8	102.5

(Composite Series: Index Numbers, 1985 = 100)

- ***How concerned are you about the recent plunge in stock prices?***

Extremely concerned	15.0%	Somewhat concerned	59.2%	Not at all	25.8%

- ***Do you think the stock-market plunge will cause a recession?***

Yes 26.6% No 73.4%

- ***If you think it will cause a recession, do you think this recession will be mild or severe?***

Mild 14.4% Severe 12.2%

- ***What do you think will happen to stock prices over the next three months?***

Continue to decline	15.1%
Remain at about the same level	58.3%
Increase substantially	26.6%

- ***As a result of the plunge in stock prices, are you now less likely to make major purchases (such as a car, major appliance, furniture, etc.) in the coming months?***

Less likely to make major purchases	27.4%
Decline in stock prices will have no effect on buying plans	72.6%

* Figures in "Before" column are based on a survey conducted Oct. 1-17; those in "After" column are based on a special telephone survey conducted Oct. 22-25.

Surveys conducted by NFO Research Inc.